



SIP/2004-WP13  
Business case

# Special Implementation Project

## Risk Management

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Workshop on the development of business case for the  
implementation of CNS/ATM systems  
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# Outline

- Risk management
  - ✓ Definition
  - ✓ Objectives
- Risk analysis
- Risk evaluation
- Development of mitigation plans

# Risk Management

# What is risk?

- Risk can be defined as the likelihood of occurrence of an undesirable event combined to the magnitude of its impact

# What is risk management?

## ➤ Risk analysis

- ✓ Identification of risks
- ✓ Estimation of their likelihood of occurrence
- ✓ Estimation of their causes and the magnitude of their potential impact

## ➤ Risk evaluation

## ➤ Development of risk mitigation plans

# Objectives of risk management

- Not to eliminate risks
- But, to identify them and minimize their effects through:
  - ✓ improved awareness of their likelihood of occurrence and potential impact and;
  - ✓ development and implementation of appropriate mitigation plans

# Risk Analysis

# Risks for the implementation of CNS/ATM systems

- Technical
- operational
- political
- economic
- financial
- managerial

# Risks for the implementation of CNS/ATM systems

- Exchange rates
- Schedule, extended transition
- Traffic growth
- Rate of return
- Efficiency rates
- Systems integration failure
- Resistance to change

# Estimation of the likelihood of occurrence

- Expert interview
- Analogy
- Review of implementation plans
- Delphi technique

# Estimation of the potential impact

- Expert interview
- Analogy
- Review of implementation plans
- Delphi technique

# Risk Evaluation

# Risk evaluation

- Assign a risk score to each risk
- Assign a weight to each risk
- Determine a risk score for each implementation option

# Development of mitigation plans

# Development of mitigation plans

- Identification of potential causes
- Development of mitigation plans

